



THE COMMONWEALTH OF MASSACHUSETTS
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April 3, 2020

Patrick Walsh
Chairman and Chief Executive Officer
Town Sports International Holdings, Inc.
d/b/a Boston Sports Clubs
399 Executive Boulevard
Elmsford, New York 10523

Re: Boston Sports Clubs

Dear Mr. Walsh,

Since Boston Sports Clubs (BSC) closed all of its locations on March 16, 2020, my office has received a substantial number of complaints from BSC members who have attempted – without success – to cancel their contracts with your company. These consumers consistently report that they have called, emailed and even sent social media messages to BSC in an effort to cancel their contracts, all without receiving any response. Worse yet, BSC continues to charge consumers for clubs they cannot access, even after they have given notice that they wish to cancel their memberships.

BSC's members are entitled to cancel their contracts. Massachusetts law entitles a consumer to cancel a contract with a health club when the club "substantially changes the operation of the health club or location." M.G.L. c. 93, sec. 82. The indefinite closure of all BSC clubs as a result of the COVID-19 epidemic unquestionably qualifies as a "substantial change," and gives BSC's members the right to cancel their contracts, if they so choose.

Moreover, upon receiving a consumer's notice of cancellation, Massachusetts law requires a health club to make a pro-rata refund of "all monies paid" within "fifteen days." *Id.* Health clubs are not permitted to charge consumers a fee for cancelling their contract, nor are clubs permitted to continue to bill consumers for any period of time after receiving a consumer's notice of cancellation.

During multiple conversations with representatives of your company, my office has requested that you provide all BSC members with full and complete information regarding how they may cancel their contracts. BSC has failed to do so. Instead, BSC has sent a series of confusing emails to its members, in which you vaguely promised to "issue credits to [consumer's] accounts and address all membership-related concerns once our gyms are

operating.” You alternatively offered to “freeze [consumers’] memberships,” an option for which BSC charges a \$15 monthly fee.

BSC has misled its members regarding their right to cancel their contracts, has continued to charge consumers who have given notice of cancellation of their contract, and has failed to make refunds within fifteen days to consumers who have cancelled. This conduct violates Massachusetts law and is completely unacceptable.

This letter constitutes my office’s demand that BSC immediately take the following actions:

- Provide all BSC members with straightforward instructions regarding how they may cancel their contracts. BSC must accept notices of cancellation by telephone, email or another form of online submission, and may not require consumers to submit cancellation by any means that would require them to leave their homes, such as certified mail or in-person delivery. BSC may not charge consumers any fee or penalty for cancelling their contracts.
- Cease billing consumers who have submitted notice of cancellation to BSC.
- Issue pro-rata refunds within fifteen days to consumers who submit notice of cancellation for any amount they have paid to BSC to access BSC clubs on or after March 16, 2020.

Please contact my office as soon as possible to discuss your implementation of these actions.

Sincerely,



Maura Healey
Massachusetts Attorney General